

Section IV: Policy

BANK RECONCILIATION POLICY

Responsible Official: Contracts and Grants Director

Administering Department: Finance Department

PURPOSE AND SCOPE

UTTC has developed and implemented policy that all incoming or outgoing funds to the College's bank accounts will be recorded in the general ledger on a timely basis. Frequent bank reconciliation is essential to prevent fraud and to ensure the College's funds are handled with fiscal and fiduciary responsibility.

Bank account reconciliation is a key component of good control over cash and should be done in a timely manner. Reconciling the bank statement balance with the book balance (general ledger) is necessary to ensure that (1) all receipts and disbursements are recorded (an essential process in ensuring complete and accurate monthly financial statements); (2) checks are clearing the bank in a reasonable time; (3) reconciling items are appropriate and are being recorded; and (4) the reconciled cash balance agrees to the general ledger cash balance.

This policy applies to all bank accounts held by the College.

POLICY STATEMENT

The Contracts and Grants Director will develop and maintain documented procedures for reconciling each bank account held by the College.

Each bank account will be reconciled on a monthly basis and within 20 business days of the end of each month.

The Chief Financial Officer (CFO) or the Contracts and Grants Director will work together with Kirkwood Bank & Trust staff to identify and resolve reconciling items on a timely basis. Any unmatched book/bank lines or other reconciling items should be corrected within 120 days of the reconciled month. Any reconciling items outstanding greater than 120 days will be recorded in miscellaneous income and miscellaneous expense in the General Fund.

Bank account reconciliations will be prepared by the Contracts and Grants staff and approved by the CFO. Their signatures on the bank account reconciliation summary will confirm that current procedures were followed and that the reconciliation accurately presents the status of the account at the bank as well as on the general ledger.

By the last day of each month, the Contracts and Grants staff will provide a copy of the signed bank account reconciliation summary to the CFO indicating the reconciliation status.

The original bank account reconciliation summary will be filed in a central file in the file room. All supporting documentation will be maintained electronically on the Finance share drive S:\Finance\Dept\Bank Reconciliation. Both a hard copy and electronic files will be made available to the CFO, Independent Auditors, and President, upon request.

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